## WEST VIRGINIA INFORMATIONAL LETTER

## NO. 50

## **APRIL 12, 1988**

## TO: ALL PROPERTY/CASUALTY INSURERS LICENSED TO DO BUSINESS IN THE STATE OF WEST VIRGINIA

It has come to the attention of the Insurance Commissioner that property/casualty insurers who are providing insurance to purchasing groups formed pursuant to the Federal Liability Risk Retention Act are under the impression that the Federal Act exempts insurers from the rate and form filing requirements of the West Virginia Insurance Code when writing business for such purchasing groups.

The Federal Liability Risk Retention Act of 1986 permits an insurer to write group liability insurance for purchasing groups and exempts purchasing groups from certain state laws and regulations. Generally, the exemptions apply to state laws which would prohibit or limit a purchasing group from forming and purchasing insurance and insurers from providing insurance to purchasing groups. There are no provisions in the Federal Act which exempt insurers from the state rate and form filing requirements when writing policies for purchasing groups. The rate and form filing requirements of the West Virginia Code are not in conflict with the exemptions of the Federal Liability Risk Retention Act of 1986. Therefore, the Federal Act does not relieve insurers providing policies to purchasing groups from the rate and form filing requirements of the West Virginia Insurance Code.

Any authorized property/casualty insurer that is writing, or is contemplating writing policies for purchasing groups, should, on and after the date of this letter, begin complying with the rate and form filing requirements of the West Virginia Insurance Code.

Any questions regarding this informational letter should be directed to Robert M. Adkins, J.D., Director, Rates and Forms Division, West Virginia Department of Insurance, 2100 Washington Street, East, Charleston, West Virginia 25305.

FRED E. WRIGHT INSURANCE COMMISSIONER